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## Hungary

**Post:** Budapest

## Innovations Support U.S. Bovine Semen Exports to Hungary

### Report Categories:

Livestock and Products

Dairy and Products

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### Report Highlights:

U.S. bovine semen exports to Hungary continue to expand even though the overall market is shrinking. Hungarian importers are willing to pay for the advances associated with U.S. breeding technology. However, the acceptance of genotyped bulls by European breeder associations and Interbull remains a challenge.

### General Information:

#### Market Summary

American cattle breeders were well represented on the 16th Alfoldi Livestock and Agricultural Days (Hungary's main livestock fair) at Hodmezovasarhely, on April 24-26 2009. Brian Garrison, the noted judge of the American Holstein Friesian Association, was member of an international jury. A four-member delegation of Accelerated Genetics held presentations on new methods for evaluating

breeding value of sires and their offspring. These were widely attended. The U.S. dairy genetics industry is viewed by Hungarians as a world leader in new breeding technologies such as sex-selected semen and the use of genomic markers in pre-selecting bulls and their progeny. With the latter technique, breeders save time and money. This is particularly important in Hungary. Competitive pressure from other EU member states continues to force a contraction in the dairy herd. Currently in Hungary the national dairy herd totals approximately 320,000 head, down from 380,000 head in 2000.

Hungary's dairy cattle stock is 90 percent American and Canadian Holstein. The size of the total dairy and beef cattle semen market is estimated at \$6.5 million annually; but this is shrinking. However, due to the quality of U.S. genetics and the new technologies, the U.S. share of the overall market is expanding.

## **Trade**

Total Hungarian imports of bovine semen were \$1.4 million in 2006, \$2.3 million in 2007, and \$2.0 million in 2008. According to industry sources, about 40-45 percent of the annual 260,000-300,000 doses of semen are from the United States. Semen which guarantees female calves with 90% certainty represents about 15 percent of U.S. sales in 2008. This has grown from virtually nothing 2005.

## **Market Structure**

Imports of dairy and bovine semen are through Hungarian partners of the major U.S. genetics firms including World Wide Sires, Select Sires, Accelerated Genetics, CRI, ABS and Alta Genetics. Canadians and European companies keep top bulls in Hungary to supply the genetics market, but U.S. companies do not.

## **Regulation**

Before Hungary's EU membership U.S. exports of dairy and bovine semen frequently encountered market access hurdles such as extra laboratory fees and unnecessary certification requirements etc. However since EU membership in 2004, import procedures have become more reliable. The Ministry of Agriculture and Rural Development, the Central Agricultural Office (MgSzH) (the Hungarian animal health and herd-book authority), and the Hungarian Holstein Friesian Association only record and inspect imports. There is no longer an "approval" or "licensing" system.

There are currently no trade related concerns, but the acceptance of breeding value evaluation results based on the analysis of the DNA markers by European countries is mixed. US exporters report that breeder associations of competitor countries, and Interbull, the international sire book registry, are trying to set pre-conditions for receiving the bulls evaluated by genomics, and reportedly want access to the bovine genetic database collected in the United States.